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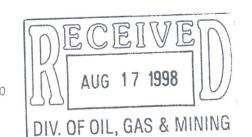
BUREAU OF LAND MANAGEMENT HOUSE RANGE/WARM SPRINGS RESOURCE AREA

35 East 500 North Fillmore, UT 84631



IN REPLY REFER TO: 3800 (U-055) UTU-075881

August 11, 1998



CERTIFIED MAIL #Z 432 442 970 RETURN RECEIPT REQUESTED

TERRY STEELE ROBERT STEELE 296 N CENTER SANTAQUIN UT 84655

Dear Messrs. Steele:

Your notice to conduct mining related operations on unpatented mining claims, UMC serial numbers 358489-358492, located in NW4, Sec. 5, T. 25 S., R. 7 W., SLBM, was received on July 27, 1998, and has been accepted by this office. Your notice has been assigned case file number UTU-075881. Please use this number in any future correspondence concerning this notice.

This notice is accepted for the drilling program only. Before beginning mining activities, you must amend your notice and include a detailed map of the proposed operation, and a statement that all areas disturbed will be completed to the standard described in 43 CFR §3809.1-3(d).

Enclosed is a copy of the Conditions of Acceptance for BLM Mining Notices, stipulated by the Richfield District, Warm Springs Resource Area. Please follow these guidelines as they pertain to your operation.

A copy of your notice has been sent to the Utah Division of Oil, Gas and Mining (UDOGM); therefore, you will not have to file this notice with them. A copy of your notice has also been sent to the Utah Department of Environmental Quality, Division of Water Quality (DWQ). DWQ should contact you concerning any permits you may need; however, their failure to do so does not absolve you from responsibility for obtaining the same.

Also, all mining claimants and operators intending to use, store, or divert water are required by Utah and Federal statute to notify the following agencies:

Utah Department of Water Resources 1636 West North Temple Salt Lake City, Utah 84180-1203

and

U. S. Army Corps of Engineers Utah Regulatory Office 1403 South 600 West, Suite A Bountiful, Utah 84010

A permit for explosives may be required from the Bureau of Alcohol, Tobacco, and Firearms (ATF). The address for ATF is

125 South State Street Salt Lake City, Utah 84145 If ATF requires a permit, a copy of the permit should be submitted to this office.

You are required to report to this office, all hazardous materials associated with your operation along with information regarding their use, storage, transport, quantity, generation and disposal. Information regarding hazardous materials can be obtained from the State of Utah, Department of Environmental Quality, Division of Solid and Hazardous Waste at:

288 North 1460 West Salt Lake City, Utah 84114-4880

You are required to contact the Department of Environmental Quality (DEQ), Emergency Response Section (ERS) at the Sections 24-hour response number (801-536-4123) immediately of a spill or discharge of hazardous substances.

If you are selling any minerals extracted during your mining activities, the U.S. Department of Labor, Mine Safety and Health Administration (MSHA) may consider your operation to be under its jurisdiction. We recommend you contact them at:

USDOL Mine Safety and Health Administration 125 South State, Room 8220 Salt Lake City, UT 84138

As required by 43 CFR 3809, Surface Management Regulations, reasonable measures must be taken to prevent unnecessary or undue degradation of public lands and reclamation is required at the earliest feasible time. Please notify this office upon completion of operations and reclamation so an inspection may be conducted on the site. Reclamation under this notice is required to conform to the standards of the Utah Mined Land Reclamation Act.

Acceptance of your notice will not now, nor in the future, serve as a determination of the validity nor ownership of any mining claim included under your notice.

Prior to the commencement of your operations, we would like to meet with you on site to review reclamation practices and initiate a reclamation plan. Please contact this office to arrange the meeting. If you have any questions regarding this letter, please feel free to contact me at (801) 743-3126. Thank you for submitting your notice.

Sincerely,

Rex Rowley

Enclosure

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Conditions of Acceptance for BLM Mining Notices (p. 3)

cc: Tom Munson, UDOGM
Kiran L. Bhayani, DWQ
Leon Smith, Millard County Planning and Zoning
Bill Tanner, USDOL Mine Safety and Health Administration